

FISCAL NOTE

SB 1788 - HB 1723

April 14, 2003

SUMMARY OF BILL: Limits the foods that can be sold in elementary and middle schools as follows:

- the sale of all foods on school grounds must meet certain nutritional standards set out by each school board and the Commissioner of Education.
- at elementary and secondary schools, any sale of food or beverages to students before school opens and during school hours shall be sold by the cafeteria. No food may be sold from other sources until after the close of the school day. Individual food items sold to students during morning or afternoon breaks at elementary and middle schools shall be sold from the school cafeteria and shall include grain products, fruits, water, milk, dairy products, vegetables or electrolyte-replacement beverages.
- water, milk, 100% fruit juices, or 10% fruit based drinks, and electrolyte-replacement beverages are the only beverages that may be sold to pupils in elementary or secondary schools, regardless of the time of day.
- in middle and high schools, from one hour before the start of the school day until one hour after the end of the last lunch period, any sale of food or beverages shall be sold by the school cafeteria. No carbonated beverage shall be sold to students until one hour after the end of the last lunch period. Vending machines that contain food or beverage items that do not meet certain nutritional requirements shall remain locked until one hour after the end of the last lunch period.
- vendors that do not comply with the requirements of the bill shall cease all food and beverage operations until they are compliant. Any monies allotted to the schools from proceeds gained by vendors from the sale shall be withdrawn from the schools.
- a school may allow the sale of food items not in compliance as a part of a school fundraising event if the sale of those items by students takes place off of school premises, or if the sale of those items takes place at least one-half hour after the end of the school day.

ESTIMATED FISCAL IMPACT:

Decrease Local Govt. Revenues - Exceeds \$100,000

Assumes that some school districts may already comply with the provisions set out in this bill. Other school districts, however, would lose revenue that is either used as part of the food service budget or goes in the general fund. It is not known how many K-8 schools statewide presently sell food items in the cafeteria that would not comply with the bill's guidelines such as certain fruit drinks, doughnuts, chips, etc. It is estimated that if school cafeterias are

prohibited from selling certain popular items, school cafeteria operations would be affected since the bill would limit the cafeterias' abilities to sell certain juice drinks (Fruitopia and canned drinks with less than 10% juice) which presently generate a substantial amount of revenue for the school system.

In addition, prohibiting K-8 students from purchasing items from vending machines during the school day is estimated to result in a decrease in local government revenues. Such decrease in revenues is estimated to exceed \$100,000.

For information purposes:

- Davidson County currently permits vending machines in schools; however, this is at the principal's discretion. In addition, the schools sell a la carte items in the cafeteria (i.e., chips, ice cream, etc.). In FY2001 Metro Davidson County collected a total of \$126,185 from vending machines in elementary and middle schools. The inclusion of high school collections would significantly increase this amount.
- Some schools in California, Kentucky, and Minnesota have experimented with providing nutritional items in vending machines which were purchased by the schools and supplied with nutritious foods (granola bars, juices, milk, salads, and tuna fish). Sodas were still sold but at a price much higher than other items. These schools indicated that they earned more in profits from their own machines than if an outside vendor controlled the program.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director